

(b) Unless authorized by a license expressly referring to this section, the acquisition, transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on or otherwise dealing in any security (or evidence thereof) registered or inscribed in the name of the Government of Libya is prohibited irrespective of the fact that at any time (either prior to, on, or subsequent to 4:10 p.m. e.s.t., January 8, 1986) the registered or inscribed owner thereof may have, or appears to have, assigned, transferred or otherwise disposed of any such security.

(c) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

[51 FR 2462, Jan. 16, 1986, as amended at 62 FR 45108, Aug. 25, 1997]

§ 550.210 Effect of transfers violating the provisions of this part.

(a) Any transfer after 4:10 p.m. e.s.t., January 8, 1986, which is in violation of any provision of this part or of any regulation, ruling, instruction, license, or other direction or authorization thereunder and involves any property in which the Government of Libya has or has had an interest since such date is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power or privilege with respect to such property.

(b) No transfer before 4:10 p.m. e.s.t., January 8, 1986, shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or interest in, any property in which the Government of Libya has or has had an interest since such date, unless the person with whom such property is held or maintained had written notice of the transfer or by any written evidence had recognized such transfer prior to such date.

(c) Unless otherwise provided, an appropriate license or other authorization issued by or pursuant to the direc-

tion or authorization of the Secretary of the Treasury before, during or after a transfer shall validate such transfer or render it enforceable to the same extent as it would be valid or enforceable but for the provisions of the International Emergency Economic Powers Act and this part and any ruling, order, regulation, direction or instruction issued hereunder.

(d) Transfers of property which otherwise would be null and void or unenforceable, by virtue of the provisions of this section, shall not be deemed to be null and void or unenforceable pursuant to such provisions, as to any person with whom such property was held or maintained (and as to such person only) in cases in which such person is able to establish each of the following:

(1) Such transfer did not represent a willfull violation of the provisions of this part by the person with whom such property was held or maintained;

(2) The person with whom such property was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization by or pursuant to this part and was not so licensed or authorized, or if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained; and

(3) Promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license or other direction or authorization thereunder, or

(ii) Such transfer was not licensed or authorized by the Secretary of the Treasury, or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained; the person with whom such property was held or maintained filed with the Treasury Department, Washington, DC, a report in triplicate setting forth in full the circumstances relating to such transfer.

The filing of a report in accordance with the provisions of this paragraph shall not be deemed to be compliance or evidence of compliance with paragraphs (d)(1) and (2) of this section.

(e) Unless licensed or authorized pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment or other judicial process is null and void with respect to any property in which on or since 4:10 p.m. e.s.t., January 8, 1986, there existed an interest of the Government of Libya.

[51 FR 2462, Jan. 16, 1986]

§ 550.212 Holding of certain types of blocked property in interest-bearing accounts.

(a)(1) Any U.S. person, including a banking institution, currently holding property subject to § 550.209 which, as of the later of September 11, 1992 or the date of receipt, is not being held in an interest-bearing account, or otherwise invested in a manner authorized by the Office of Foreign Assets Control, shall transfer such property to, or hold such property or cause such property to be held in, an interest-bearing account or interest-bearing status, as of such date, in a banking institution in the United States, or, for property held outside the United States, the foreign branch of a U.S. banking institution, unless otherwise authorized or directed by the Office of Foreign Assets Control.

(2) The requirement in paragraph (a)(1) of this section shall apply to funds, currency, bank deposits, accounts, and any other financial assets, and any proceeds resulting from the sale of tangible or intangible property. If interest is credited to an account separate from that in which the interest-bearing asset is held, the name of the account party on both accounts must be the same and must clearly indicate the blocked Government of Libya entity having an interest in the accounts.

(b) For purposes of this section, the term *interest-bearing account* means a blocked account in a banking institution earning interest at rates that are commercially reasonable. *Commercially reasonable* means the rate currently offered other depositors on deposits of comparable size and maturity. Except as otherwise authorized, the funds may

not be invested or held in instruments the maturity of which exceeds 90 days.

(c) This section does not apply to blocked tangible property, such as chattels or real estate, nor does it create an affirmative obligation on the part of the holder of such blocked tangible property to sell or liquidate the property and put the proceeds in a blocked account. However, the Office of Foreign Assets Control may issue licenses permitting or directing sales of tangible property in appropriate cases.

[57 FR 41697, Sept. 11, 1992]

Subpart C—Definitions

§ 550.301 Effective date.

The *effective date* means:

(a) 12:01 a.m. Eastern Standard Time (e.s.t.), February 1, 1986, with respect to the transactions prohibited by §§ 550.201, 550.202, 550.203, 550.204, and 550.205;

(b) 8:06 p.m. Eastern Standard Time (e.s.t.), January 7, 1986, with respect to transactions prohibited by §§ 550.206 and 550.207; and

(c) 4:10 p.m. Eastern Standard Time (e.s.t.), January 8, 1986, with respect to transactions prohibited by § 550.209.

[51 FR 2463, Jan. 16, 1986]

§ 550.302 Libya; Libyan.

The term *Libya* means the country of Libya and any Libyan territory, dependency, colony, protectorate, mandate, dominion, possession, or place subject to the jurisdiction thereof. The term *Libyan* means pertaining to Libya as defined in this section.

§ 550.303 Libyan origin.

The term *goods or services of Libyan origin* includes:

(a) Goods produced, manufactured, grown, or processed within Libya;

(b) Goods which have entered into Libyan commerce;

(c) Services performed in Libya or by a Libyan national who is acting as an agent, employee, or contractor of the Government of Libya, or of a business entity located in Libya. Services of Libyan origin are not imported into the United States when such services are provided in the United States by a Libyan national who, during indefinite